

FREE SCHOOLS AND SINKING FUNDS.

Statement "E," exhibits the condition of the Free School Fund and the Sinking Fund at the close of the fiscal year ended 30th September, 1874. The receipts on account of the Free School Fund during the fiscal year, have been \$71,883.07, which added to the balance standing to the credit of said fund as of 30th September, 1873, viz: \$14,220.08, make an aggregate of \$86,103.15.

The disbursements on the same account, were \$74,342.60, leaving a balance standing to the credit of the Free School Fund as of 30th September, 1874, amounting to the sum of \$11,760.55.

There stood to the credit of the Sinking Fund, at the end of the fiscal year 1873, the sum of \$66,579.28, and the interest received on investments during the fiscal year, amounted to \$709.80, making in all the sum of \$67,289.08.

Investments have been made during the fiscal year, in stock of the State, to the amount of \$11,830.00, leaving the balance in cash on 30th September, 1874, of \$55,459.08.

Since the close of the fiscal year the sum of \$44,540.92 has been transferred from the Treasury to the Sinking Fund, making a total of \$100,000.00, and the whole has been invested in a certificate of Stock of the "State Normal School Loan," thereby absorbing the whole of the said loan, and placing it to the credit of the Sinking Fund. It is expected, that the Treasury will be able during the current year to pass to the credit of the Sinking Fund, an amount equal to the entire proceeds of the sale of the "House of Correction State Loan," so as to place the whole of that loan also to the credit of the Sinking Fund. It has been my constant endeavor to limit as much as possible, the number of loans, and by that means to simplify the debt statement of the State. I have very little question that the whole House of Correction State Loan will be taken by the Sinking Fund during the current year, and it is not contemplated to let any of the bonds go beyond the control of the officers of the Treasury. The difficulty of obtaining any portion of the currency six per cent. debt at par, makes this cau-